UNITED STATES PATENT AND TRADEMARK OFFICE

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/501,154	02/09/2000	Srikanth Sankaran	PRI-102	3469

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EXAMINER
NGUYEN, NGA B

ART UNIT	PAPER NUMBER
3628	

DATE MAILED: 10/13/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

PTO-90C (Rev. 10/03)

	Application No.	Applicant(s)
	09/501,154	SANKARAN ET AL.
Office Action Summary	Examiner	Art Unit
	Nga B. Nguyen	3628

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE _3_ MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
  Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1) ☒ Responsive to communication(s) filed on _08 June 2004_.

2a) ☒ This action is **FINAL.**   2b) ☐ This action is non-final.

3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4) ☒ Claim(s) _1 and 3-30_ is/are pending in the application.

    4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5) ☐ Claim(s) _____ is/are allowed.

6) ☒ Claim(s) _1 and 3-30_ is/are rejected.

7) ☐ Claim(s) _____ is/are objected to.

8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9) ☐ The specification is objected to by the Examiner.

10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.

    Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

    Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

    a) ☐ All   b) ☐ Some *   c) ☐ None of:

      1. ☐ Certified copies of the priority documents have been received.

      2. ☐ Certified copies of the priority documents have been received in Application No. _____.

      3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

    * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)

2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)

3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
    Paper No(s)/Mail Date _____.

4) ☐ Interview Summary (PTO-413)
    Paper No(s)/Mail Date. _____.

5) ☐ Notice of Informal Patent Application (PTO-152)

6) ☐ Other: _____.

DETAILED ACTION

1.   This Office Action is the answer to the Amendment filed on June 8, 2004, which

paper has been placed of record in the file.

2.   Claims 1 and 3-30 are pending in this application.

Response to Arguments/Amendment

3.   Applicant's arguments with respect to claims 1 and 3-30 have been considered

but are moot in view of new grounds of rejection.

4.   Applicant's amendment necessitated the new grounds of rejection presented in

this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP

§ 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37

CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE

MONTHS from the mailing date of this action. In the event a first reply is filed within

TWO MONTHS of the mailing date of this final action and the advisory action is not

mailed until after the end of the THREE-MONTH shortened statutory period, then the

shortened statutory period will expire on the date the advisory action is mailed, and any

extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of

the advisory action. In no event, however, will the statutory period for reply expire later

than SIX MONTHS from the date of this final action.

Claim Rejections - 35 USC § 103

5.   The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all

obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set
forth in section 102 of this title, if the differences between the subject matter sought to be patented and
the prior art are such that the subject matter as a whole would have been obvious at the time the
invention was made to a person having ordinary skill in the art to which said subject matter pertains.
Patentability shall not be negatived by the manner in which the invention was made.

6.   Claims 1 and 3-30 are rejected under 35 U.S.C. 103(a) as being unpatentable

over Hambrecht et al (hereinafter Hambrecht), U.S. Patent No. 6,629,082, in view of the

disclosed prior art (see the Specification page 8, line 5 through page 9, line 10).

Regarding to claim 1, Hambrecht discloses a system for offering a financial

instrument, comprising:

a central processing unit, a program memory (column 22, lines 5-15, the auction

server system 126, it is inherent that a server is a computer system which always has a

central processing unit (CPU) and a program memory), a structure database (column

24, line 53-column 25, line 10; Auctions Table); and an investor database (column 23,

line 65-column 24, line 25; Users Table);

wherein the CPU, program memory, structure database and investor database

are in communication with one another (see figure 7),

wherein the structure database stored a structure representative of a plurality of

financial instruments (column 24, line 53-column 25, line 10; Auctions Table), and

wherein the system operates to (i) display financial information (column 9, lines 5-

20, the investor can view equity offering information at the auction Web site), (ii) receive

bid information (column 12, lines 50-67, the auction server 126 receives the bids

submitted by the investor), (iii) modify the structure database in response to the bid

information and display updated financial information (column 30, lines 50-65; the

system modifies auction parameters stored in Auction Table), and (iv) notify the underwriter of an amount of underlying collateral to purchase in view of the bid information received (column 6, lines 8-40 and column 33, lines 9-15; the underwriter purchasers the offered shares from the Issuer only after the investors submitted bids for those shares);

wherein the underlying collateral is used to collateralize the financial instruments (column 6, lines 8-40; the underwriter purchasers the offered shares from the Issuer);

wherein the amount of underlying collateral is purchased only after commitment are received to invest in the financial instrument (column 6, lines 8-40 and column 33, lines 9-15; the underwriter purchasers the offered shares from the Issuer only after the investors submitted bids for those shares).

Hambrecht does not disclose the financial instrument is a multi-class instrument wherein at least two classes of the plurality of classes are different from each other and separately saleable, and wherein the underlying collateral has a form different from either of the at least two classes. However, as stated by applicant (see the Specification page 8, line 5 through page 9, line 10), the prior at teaches that the underwriter can structure the various classes of a multi-class instrument and sell the various classes separately to the investors. Because the underwriter structures various different classes of a multi-class instrument, thus it is obvious that the underwriter can structure three different classes, i.e. the third class has a form different from the other two. Therefore, it would have been obvious to one with ordinary skill in the art at the time the invention was made to modify Hambrecht's to include the various classes of a multi-class

instrument in the financial instruments offered for sale to the investors of Hambrech, for

the purpose of allowing the underwriter to offer for sale the plurality of classes of the

multi-class instrument over the network in order to maximizing the profit for the

underwriters. Moreover, because the plurality of classes are different from each other

and separately saleable, thus the system of Hambrecht will work the same for each

class as a single financial instrument.

Regarding to claim 3, Hambrecht discloses the bid information includes price and

amount information (column 32, lines 35-45; the investor submits bid included price per

share and number of shares).

Regarding to claim 4, Hambrecht discloses an input for receiving market

information (column 12, lines 50-60; the auction server 126 receive bids via a network

connection).

Regarding to claims 5, 20, 24, Hambrecht discloses the structure database is

modified further in view of the prevailing market price of collateral (column 33, lines 30-

45).

Regarding to claim 6, Hambrecht discloses means for transmitting the financial

information over the Internet (column 9, lines 5-20; the investor can view offering

information over the Internet).

Regarding to claims 7, 15, 18, 19, 27, Hambrecht does not disclose wherein

collateral for the multi-class instrument includes at least one of treasury notes, agency

notes, a corporate security, a contract traded on an organized commodities or securities

exchange, a collateralized mortgage obligation, collateralized bond obligation,

collateralized loan obligations, etc....However, offering for sale those specific financial instrument above over the Internet is well known in the art. For example, today there exist many different commercial companies to conduct auction for financial products such as stocks, bond, mortgage loan, etc...over the Internet. Therefore, it would have been obvious to one with ordinary skill in the art at the time the invention was made to modify Hambrecht's to include the financial instruments above in the financial instruments offered for sale to the investors of Hambrech, for the purpose of maximizing the profit for the underwriters.

Claim 8 contains similar limitations found in claim 1 above, therefore is rejected by the same rationale. Moreover, Hambrech further discloses the electronic trading system comprises a modem (column 23, lines 58-60; routing devices 408, 410 provide a communication over a network).

Regarding to claim 9, Hambrech discloses the electronic trading system responds to any single price and amount bid within a predetermined period of time (column 10, lines 45, Bid registration period).

Regarding to claims 10, 23, 29, Hambrech does not disclose the predetermined period of time is about 120 seconds. However, it is a design of choice and well known to set a particular period of time for an auction. Therefore, it would have been obvious to one with ordinary skill in the art at the time the invention was made to modify Hambrecht's to include the feature above for the purpose of designing a predetermined specific time period for an auction.

Regarding to claim 11, Hambrech discloses price and amount bids are periodically received and the system updated financial displays with updated offer information (column 30, lines 62-65).

Regarding to claims 12, Hambrech discloses the offer information is updated based on market conditions (column 33, lines 30-45).

Regarding to claim 13, Hambrech discloses means for operating the system over the Internet (column 23, lines 40-60).

Regarding to claim 14, Hambrech discloses a method, implemented in and across an electronic network, for offering a multi-class instrument, comprising the steps of:

storing, within a first computer operated by an underwriter, an initial offer price and an initial offer amount related to the financial instrument (column 24, line 53-column 25, line 10; Auctions Table stored in the Auction Server database)

displaying, on at least one second computer, the offer price and offer amount of the financial instrument (column 9, lines 5-20, the investor can view equity offering information at the auction Web site; column 10, lines 30-45; the offering information included number of shares and minimum accepted bid price);

receiving, at the first computer, at least one bid in response to the initial offer price and offer amount on the at least second computer (column 12, lines 50-67, the auction server 126 receives the bids submitted by the investor);

modifying, in the first computer, an initial offer price and initial offer amount of the financial instrument based on the bid received in response to the initial offer price and

offer amount on the at least one second computer (column 30, lines 50-65; the system modifies auction parameters stored in Auction Table),

accepting the bid received in response to the initial offer price and offer amount on the at least one second computer (column 13, lines 2-15); and

indicating to the underwriter the amount of collateral need to underwriter the bid received in response to the initial offer price and offer amount on the at least one second computer (column 6, lines 8-40 and column 33, lines 9-15; the underwriter purchasers the offered shares from the Issuer only after the investors submitted bids for those shares);

wherein the underlying collateral is used to collateralize the financial instruments (column 6, lines 8-40; the underwriter purchasers the offered shares from the Issuer).

Hambrecht does not disclose the financial instrument is a multi-class instrument wherein at least two classes of the plurality of classes are different from each other and separately saleable, and wherein the underlying collateral has a form different from either of the at least two classes. However, as stated by applicant (see the Specification page 8, line 5 through page 9, line 10), the prior at teaches that the underwriter can structure the various classes of a multi-class instrument and sell the various classes separately to the investors. Because the underwriter structures various different classes of a multi-class instrument, thus it is obvious that the underwriter can structure three different classes, i.e. the third class has a form different from the other two. Therefore, it would have been obvious to one with ordinary skill in the art at the time the invention was made to modify Hambrecht's to include the various classes of a multi-class

instrument in the financial instruments offered for sale to the investors of Hambrech, for

the purpose of allowing the underwriter to offer for sale the plurality of classes of the

multi-class instrument over the network in order to maximizing the profit for the

underwriters. Moreover, because the plurality of classes are different from each other

and separately saleable, thus the system of Hambrecht will work the same for each

class as a single financial instrument.

Moreover, Hambrecht's does not teach modifying, in the first computer, an initial

offer price and initial offer amount of at least one of another the classes of the multi-

class instrument based on the bid received and displaying on at least a third computer

the initial offer price and offer amount of the another of the classes of the multi-class

instrument. However, it is well known in the art that the underwriter can modify an initial

offer price and initial offer amount of at least one of another the classes of the multi-

class instrument based on the bid received displaying on at least a third computer the

initial offer price and offer amount of the another of the classes of the multi-class

instrument. As stated by applicant, the role of the underwriter is to structures various

classes of a multi-class instrument, and in Hambrecht's, the underwriter sets the initial

price and initial amount of the financial instrument based on the bids received by the

investors (see column 32, lines 25-35). Moreover, it is also well known that the

underwriter can sets the initial price and initial amount of the financial instrument based

on market conditions. Thus, it is obvious for the underwriter to modify an initial offer

price and initial offer amount of another class based on the bid received. Therefore, it

would have been obvious to one with ordinary skill in the art at the time the invention

was made to include the feature above with the modified Hambrecht's system above for

the purpose of providing more attraction to the investors in making investment decision,

in order to maximizing the profit for the underwriter.

Regarding to claim 16, Hambrecht's discloses matching the bid received in

response to the initial offer price and offer amount on the at least one second computer

with stored prices and amounts (column 11, lines 10-35).

Claim 17 contains similar limitations found in claim 14 above, therefore, is

rejected by the same rationale.

Regarding to claim 21, Hambrecht's discloses a method for offering multi-class

instruments, comprising the steps of:

offering, via remoter computers, a plurality of financial instruments (column 9, lines

5-20, the investor can view equity offering information at the auction Web site);

receiving, at an underwriter's computer, bids in response to the offered plurality of

financial instruments (column 12, lines 50-67, the auction server 126 receives the bids

submitted by the investor);

modifying, at an underwriter's computer the structure of at least one of the classes

of the multi-class instrument in view of the bids (column 30, lines 50-65; the system

modifies auction parameters stored in Auction Table); and

re-offering, via the remoter computers, the plurality of financial instrument (column

33, lines 30-45; the underwriter can purchase the additional shares of the Issuer, thus it

is inherited that the underwriter will re-offering the additional shares to the investors);

wherein the financial instruments of the offering of the offering and re-offering

steps are collateralized by the same underlying collateral (column 6, lines 8-40; the

underwriter purchasers the offered shares from the Issuer).

Hambrecht does not disclose the financial instrument is a multi-class instrument

wherein at least two classes of the plurality of classes are different from each other and

separately saleable, and wherein the underlying collateral has a form different from

either of the at least two classes. However, as stated by applicant (see the Specification

page 8, line 5 through page 9, line 10), the prior at teaches that the underwriter can

structure the various classes of a multi-class instrument and sell the various classes

separately to the investors. Because the underwriter structures various different classes

of a multi-class instrument, thus it is obvious that the underwriter can structure three

different classes, i.e. the third class has a form different from the other two. Therefore, it

would have been obvious to one with ordinary skill in the art at the time the invention

was made to modify Hambrecht's to include the various classes of a multi-class

instrument in the financial instruments offered for sale to the investors of Hambrech, for

the purpose of allowing the underwriter to offer for sale the plurality of classes of the

multi-class instrument over the network in order to maximizing the profit for the

underwriters. Moreover, because the plurality of classes are different from each other

and separately saleable, thus the system of Hambrecht will work the same for each

class as a single financial instrument.

Regarding to claims 22 and 28, Hambrecht's discloses at least one iteration of the steps in claims 21 above within a predetermined period of time (column 10, lines 45, Bid registration period).

Claim 25 contains similar limitations found in claim 14 above, therefore, is rejected by the same rationale.

Regarding to claim 26, Hambrecht's discloses purchasing the underlying collateral (column 6, lines 8-40; the underwriter purchasers the offered shares from the Issuer).

Regarding to claim 30, Hambrecht's discloses a method, implemented in and across an electronic network, of offering a financial instrument, comprising the steps of:

matching, in a system operated by an underwriter, bids received from investors against amount and price of respective financial instruments stored in a structure database (column 11, lines 12-19; receiving bids includes the price and number of shares from the investors and ordering bids by price in descending order, sum up the number of shares);

conducting, in the system operated by the underwriter, price and amount equalization among the respective financial instruments in view of the investor bids (column 11, lines 19-26; determining the offering price and amount by the underwriter);

re-matching bids with the equalized price and amount (column 32, lines 52-60 and column 11, lines 26-35; allocating number of shares to the investors); and

purchasing underlying collateral in conformance with the equalized price and amount (column 6, lines 8-40 and column 33, lines 9-15; the underwriter purchasers the offered shares from the Issuer only after the investors submitted bids for those shares),

wherein the step of conducting price and amount equalization is performed with

respect to the underlying collateral that is to be purchased (column 6, lines 8-40; the

underwriter purchasers the offered shares from the Issuer).

Hambrecht does not disclose the financial instrument is a multi-class instrument

wherein at least two classes of the plurality of classes are different from each other and

separately saleable, and wherein the underlying collateral has a form different from

either of the at least two classes. However, as stated by applicant (see the Specification

page 8, line 5 through page 9, line 10), the prior at teaches that the underwriter can

structure the various classes of a multi-class instrument and sell the various classes

separately to the investors. Because the underwriter structures various different classes

of a multi-class instrument, thus it is obvious that the underwriter can structure three

different classes, i.e. the third class has a form different from the other two. Therefore, it

would have been obvious to one with ordinary skill in the art at the time the invention

was made to modify Hambrecht's to include the various classes of a multi-class

instrument in the financial instruments offered for sale to the investors of Hambrech, for

the purpose of allowing the underwriter to offer for sale the plurality of classes of the

multi-class instrument over the network in order to maximizing the profit for the

underwriters. Moreover, because the plurality of classes are different from each other

and separately saleable, thus the system of Hambrecht will work the same for each

class as a single financial instrument.

Conclusion

7.   Claims **1** and **3-30** are rejected.

8.   The prior arts made of record and not relied upon is considered pertinent to applicant's disclosure:

Shkedy (US 6,236,972) discloses method and apparatus for facilitating transaction for secondary market shares of a mutual fund on a commercial network system in which a mutual fund comprises a various classes.

9.   Any inquiry concerning this communication or earlier communications from the examiner should be directed to Nga B. Nguyen, whose telephone number is (703) 306-2901. The examiner can normally be reached on Monday-Thursday from 8:30 AM-6:00 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung S. Sough, can be reached on (703) 308-0505.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Group receptionist whose telephone number is (703) 308-1113.

10.   Any response to this action should be mail to:

Commissioner of Patents and Trademarks

c/o Technology Center 3600

Washington, D.C. 20231

or faxed to:

(703) 872-9326, (for formal communications intended for entry)
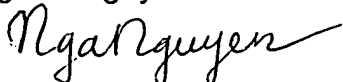
or:

(703) 308-3961 (for informal or draft communications, please
label   "PROPOSED" or "DRAFT")

Hand-delivered responses should be brought to Crystal Park 5, 2451 Crystal

Drive, Arlington, VA, Seventh Floor (Receptionist).

Nga B. Nguyen

September 9, 2004